

225 CO

Date. 18 Octobe  
Item No. 2  
Ref. No. \_\_\_\_\_

**NEWS SERVICE**

DISTRIBUTION II

*LLM*  
*Forbes*  
*ME*

The attached is from today's Star.

# Chileans Inject CIA Into Letelier Slaying Probe

*Ind  
Letelier*

**By Jeremiah O'Leary**  
Washington Star Staff Writer

Officials of the government of Chile and defense attorneys in the Letelier murder case have raised the issue of CIA involvement in the assassination. But the Justice Department calls the suggestions "ridiculous and untrue."

Chilean government officials twice have mentioned the former CIA deputy director, Gen. Vernon A. Walters, in connection with the case, though not specifically charging any connection between him and the bomb-murder in Washington of Orlando Letelier, an exiled Chilean leftist.

And, in response to charges by attorneys for three of the five Cuban exiles indicted in the case, the United States admitted in court papers filed yesterday that Michael V. Townley made "two unrelated contacts" with the CIA in Florida "a number of years ago." Townley has been con-

victed of conspiracy in the case and is cooperating with the prosecutors.

The first mention of Walters was made in March in Santiago, Chile, when Assistant U.S. Attorney Eugene M. Propper and two FBI agents, Carter Cornick and Robert Scherrer, were questioning two Chilean army officers about their role in the Letelier case.

**THE SECOND** mention was last week when Chilean Ambassador Jose Miguel Barros hinted that it might be interesting to find out why Walters went to Paraguay early in July 1976.

Walter's departure from the CIA was announced in April 1976.

The two Chilean army captains, whose real names were not disclosed by sources here, were the ones presented to Propper and his investigative team by the Chilean government as "Juan Williams Rose" and "Alejandro Romeral."

These were the names used, the U.S. government said, by the Ameri-

can, Townley, then a member of the Chilean secret police, and a Chilean army captain, Armando Fernandez Larios, in Asuncion, Paraguay, where they used Paraguayan passports to obtain U.S. visas.

Since Propper and Cornick had passport photos of Townley and Fernandez, they are sure the use of the two Chilean captains was an attempt to hide the identities of those accused of plotting and carrying out the Sept. 21, 1976, murder of Letelier and a colleague, Ronni Moffitt.

**PROPPER AND** Cornick refused to comment on the new twist in the case, but it was learned that one of the two captains with false names said under questioning March 24 that their mission in August 1976 to the United States was to see Walters. The other said they had come to deliver documents to the Chilean Embassy here.

Walters is traveling and could not be reached for comment.

*(over)*

However, in June he gave FBI agents here a deposition saying that he knew nothing about the Letelier case and had had no contact with the Chilean officers.

In his statement, which was taken by the FBI at the request of the Chilean government, Walters denied any knowledge or contact with the officers. And he said that suggestions of some suspicious purpose to his trip to the Paraguayan capital were "ridiculous."

**WALTERS' TRIP** to Paraguay was a private visit, government sources said. They said the timing of Walters' arrival there — just a few weeks before Townley and Fernandez obtained the U.S. visas with falsified Paraguayan passports on July 27, 1976 — was unrelated to the Letelier case. But one official acknowledged that the timing was an unfortunate coincidence.

The Walters statement, it was learned, is part of a massive documentation sent to the Chilean Supreme Court last month by Propper as part of a request for extradition of the three Army officers accused in the Letelier murder: Gen. Manuel Contreras Sepulveda, retired chief of the DINA secret police; Col. Pedro Espinoza, operations chief of DINA; and Fernandez, who came to the United States, the U.S. government alleges, to shadow Letelier in order to chart his movements a few days before a bomb killed him in his car.

In his statement Walters told the FBI that the purpose of his journey to Paraguay was "totally unrelated to the Letelier case and completely apart from either Chile or Letelier."

**JUSTICE DEPARTMENT** officials said yesterday, in response to questions, "The Department of Justice has become aware that certain elements in Chile are attempting to raise smokescreens that Townley is CIA and therefore that there has to be CIA involvement."

Chilean officials have had Walters' statement since July 1978, well before the arrival there of the extradition documents, and know there is no truth to allegations about him, Justice Department officials said.

Two Townley-CIA connections, hitherto unreported, came to light yesterday in court documents filed by Propper and Assistant U.S. Attorney E. Lawrence Barcella.

In their reply to motions filed by attorneys for the three Cuban exiles awaiting trial in the Letelier case, the prosecutors acknowledged that Townley had two contacts with the CIA in Florida that they said were unrelated to the Letelier affair.

A footnote to the prosecutors' reply said:

"The defendants state in their motion that 'the prosecutor has admitted that Townley had contact with the CIA at Langley.' This is simply not true. In response to a question by counsel for the defendants regarding Michael Townley's contacts with the CIA, the prosecutors informed counsel that a number of years ago, Townley had two unrelated contacts with the CIA in Florida."

**"ON ONE OCCASION** in 1970 or 1971, Mr. Townley contacted the CIA to ask if they were interested in the fact that he would be traveling to Chile

in the near future. While a (CIA) representative took some general background information from Mr. Townley, no further action or contact occurred.

"Subsequently, in 1973, Mr. Townley contacted a representative of the CIA in Florida to state that he had just returned from Chile and asked if anyone would be interested in talking to him. Neither party got back in touch with the other. These two incidents represent the sum total of contacts between the CIA and Mr. Townley."

The CIA declined to comment on any aspect of the Townley-CIA contacts or the Walters trip to Paraguay.

The documents filed with U.S. District Judge Barrington D. Parker by the prosecutors were in response to motions by New York attorneys Paul A. Goldberger, Jerry Feldman and Lawrence A. Dubin who represent Guillermo Novo Sampol, Ignacio Novo Sampol and Alvin Ross Diaz.

**TWO OTHER** anti-Castro Cuban exiles, Jose Dioniso Suarez and Virgilio Paz, are charged with the Letelier murder and are fugitives from the FBI.

The attorneys, preparing for the trial scheduled to begin Jan. 8, made motions for discovery of the government's evidence, for a change of venue of the trial, for a bill of particulars claiming that the indictments are vague and for severance of the Ignacio Novo trial from the trial of the others. Parker will hear arguments on these motions Oct. 30.

The prosecutors said the government will provide extensive discovery, but, "We firmly reject the notion promoted by the defense that discovery is to be equated with total access to government files."

In response to defense attorneys' request for CIA documents and files, the prosecutors said, "There is absolutely no evidence whatsoever that the Central Intelligence Agency had either advance knowledge of or participated in the Letelier assassination. While it might be a popular pastime and interesting cocktail party conversation to level unfounded charges at the CIA, there is not the slightest scintilla of evidence to indicate CIA involvement or knowledge of this matter."

**THE PROSECUTORS** also said that the law provides no support for the defense attorneys' demand that the government reveal the identity of all informers in the Letelier case.

The Chilean Supreme Court has the evidence for extradition of Contreras, Espinoza and Fernandez under study but has refused to make the evidence public. Described by some sources as "explosive," the evidence may not by law be disclosed by U.S. officials until the trial begins. Chile is expected to keep a lid on the evidence at least until the trial begins of the three defendants in U.S. custody.

The three Chilean officers accused of complicity in the murder are in technical custody in Chile.